

## **Introduction**

This booklet describes the different events that can affect your annuity under the Railroad Retirement Act (RRA).

Whether you are receiving your own annuity, or you receive payments on behalf of another person, it is your responsibility to be aware of these events and to notify the Railroad Retirement Board (RRB) immediately when any apply to you.

Any new circumstances may cause changes in your entitlement or in the amount of your annuity. Keep this booklet handy and refer to it to see if you need to report an event.

If you are not sure if your report is necessary, call or write to the nearest RRB office for assistance. Most RRB offices are open to the public from 9:00 a.m. to 3:30 p.m., Monday through Friday.

To find the RRB office nearest you, call the toll-free RRB HelpLine at 1-800-808-0772 or visit the RRB's Web site at [www.rrb.gov](http://www.rrb.gov).

Failure to promptly notify the RRB usually constitutes "fault" on your part that requires you to repay any resulting overpayment. This could cause your benefits to be suspended, and may result in the assessment of interest and penalties.

Even if an overpayment may not result, some of the events described in this booklet must be reported to assure that the RRB provides you with timely information about your annuity and with the maximum benefits payable to you.

## **What to Report and Why**

Your annuity entitlement and the amount payable to you each month is determined according to law and by the circumstances that exist on the date your annuity begins. Any later changes in those circumstances are very important. To guarantee correct payment of the benefits you are due, you must notify the RRB about all of the events that are described in this booklet. They are:

- Social Security Benefits (Page 2)
- Public Service Pensions and Non-covered Service Pensions (Page 3)
- Railroad Work (Page 3)
- Non-railroad Earnings Under Full Retirement Age (Page 4)
- Last Pre-Retirement Employment (Page 7 )
- Disability After Retirement (Page 9 )
- Disability and Work (Page 9 )
- Disability Change and Work Capability (Page 10)
- Workers Compensation or Other Disability Based Public Benefits (Page 10)
- Marital Status Change (Page 11)
- Qualifying Child Status Change (Page 11)
- Felony Conviction (Page 12)
- Spouse or Employee Death (Page 12)
- Change of Address (Page 13)
- Direct Deposit (Page 14)

## **How to Report**

You may call, visit, or write to any RRB office. In most cases, your reporting can be completely handled by telephone. If you plan to personally visit one of the RRB offices, please call for an appointment. You will not be refused service if you do

not make an appointment, but the RRB staff may be better able to assist you when an appointment is made.

Always provide the following when you call, visit or write to the RRB:

- Your name;
- Your RRB claim number;
- The railroad employee's name, if you are not the employee;
- Your daytime telephone number;
- A clear explanation of what you are reporting; and,
- The exact month, day and year that the event occurred.

### **Social Security Benefits**

The Tier 1 amount of your employee, spouse or divorced spouse annuity already includes credit for the railroad worker's earnings covered by social security taxes. When you file for social security benefits (SS benefits), the RRB must reduce your Tier 1 amount by the amount of SS benefits you receive.

If you are awarded SS benefits, the RRB usually will pay them combined with your annuity. We will adjust your Tier 1 and send you a letter to explain the two benefits. If you begin to receive separate SS benefit payments, notify the nearest RRB office at once. It is your responsibility to notify us. **Do not expect the Social Security Administration (SSA) to tell the RRB that you are being paid SS benefits. Any delay could cause you to be overpaid.**

In many cases, filing for SS benefits will not increase your total benefit rate, because of the reduction in your Tier 1.

Some annuities are increased under the Special Guaranty Computation as explained in booklet G-179. If your annuity is increased under this provision, you must notify us if any spouse, minor child, disabled child or student child included in that computation begins to receive SS benefits, on any account number.

### **Public Service Pensions and Non-covered Service Pensions**

A Non-covered Service Pension can reduce your employee tier 1 benefit and the tier 1 benefit of your spouse (see booklet RB-1).

Any initial payment or increase to a Public Service Pension can reduce your spouse tier 1 benefit (see booklet RB-30).

The RRB will receive a report of your Civil Service Retirement System (CSRS) rates from a tape match with the Office of Personnel Management after each cost-of-living increase. You should report your Non-covered Service Pension or Public Service Pension when:

- You begin to receive a Non-covered Service Pension or Public Service Pension to allow timely adjustment of your annuity; or,
- Your Non-covered Service Pension or Public Service Pension is not paid from the CSRS.

### **Railroad Work**

If you are the employee annuitant, your regular annuity, or any supplemental annuity, cannot be paid for any month in which you work for a railroad employer. This law applies no matter how old you are or how much money you earn from that

work. You must notify the RRB immediately if you go to work in the railroad industry. **Do not wait for your employer to notify the RRB.**

If you are a spouse annuitant, your annuity is not payable for any month you work for a railroad or for any month the employee annuitant returns to railroad work.

### **Non-railroad Earnings under Full Retirement Age**

Different rules apply if you receive an annuity based on disability for years before you attain Full Retirement Age. Those rules are explained on page 9. This section applies to an annuity based on your age and service or a disability annuity after you attain Full Retirement Age.

For months after you have attained Full Retirement Age (see the following chart), your Tier 1 benefit is not subject to reductions because of your non-railroad earnings.

#### **DETERMINING YOUR FULL RETIREMENT AGE**

If you were born:	Then your Full Retirement Age is:
Before 1-2-1938	65
1-2-1938 thru 1-1-1939	65 and 2 months
1-2-1939 thru 1-1-1940	65 and 4 months
1-2-1940 thru 1-1-1941	65 and 6 months
1-2-1941 thru 1-1-1942	65 and 8 months
1-2-1942 thru 1-1-1943	65 and 10 months
1-2-1943 thru 1-1-1955	66
1-2-1955 thru 1-1-1956	66 and 2 months
1-2-1956 thru 1-1-1957	66 and 4 months
1-2-1957 thru 1-1-1958	66 and 6 months
1-2-1958 thru 1-1-1959	66 and 8 months
1-2-1959 thru 1-1-1960	66 and 10 months
1-2-1960 and later	67

Non-railroad earnings over the Annual Earnings Exempt Amount could reduce your annuity if you have not attained Full Retirement Age, and you are receiving an employee annuity based on your age, a spouse annuity based on your age or child-in-care, or the Special Guaranty computation based on age.

The employee's non-railroad earnings also cause a reduction to the spouse tier 1 benefit. The employee's non-railroad earnings also cause a reduction to the divorced spouse annuity within two years of the date of the final divorce decree.

### **What Earnings Are Counted**

Earnings restrictions apply to gross earnings from your employment for others, plus any net earnings from self-employment. Your net self-employment amount is the earnings amount, after business expenses, that you report to the Internal Revenue Service (IRS).

Do not include as earnings, any money you received for reasons other than for work you performed. Gifts, interest earned, inheritance, pensions, and investment income do not count as earnings for this purpose.

### **When to Report Earnings**

Refer to Form G-77a, *How the Amount of Earnings Affects Payment of Retirement Annuities*, for the current Annual Earnings Exempt Amounts for your age group and refer to the following chart.

**EFFECT OF EARNINGS ON YOUR ANNUITY**

<b>For a year:</b>	<b>You may lose up to \$1 in Tier 1 benefits for every:</b>	<b>The reduction:</b>
In which you attain Full Retirement Age,	\$3.00 of earnings over the Annual Earnings Exempt Amount for your age group. However, your earnings are only counted for months before the month in which you attain Full Retirement Age.	is removed effective the month in which you attain Full Retirement Age.
You are under Full Retirement Age for the entire year,	\$2.00 of earnings over the Annual Earnings Exempt Amount for your age group.	Applies for the full year.
You work outside the U.S. for 45 or more hours per month,	\$2.00 of earnings. There is no Annual Earnings Exempt Amount for work outside the U.S. However, your earnings are only counted for months before the month in which you attain Full Retirement Age.	Is removed effective the month in which you attain Full Retirement Age.

The RRB will receive an annual report of your non-railroad earnings from a tape match with the Social Security Administration. You should report your earnings when:

- You begin or end non-railroad employment to allow timely adjustment of your annuity;
- Your employment is not covered under Social Security; or,
- You will earn substantially more or less than you earned in the previous year.

**Last Pre-Retirement Employment**

Your last non-railroad work before your annuity beginning date may be considered Last Pre-Retirement Employment (LPE). This term refers to your full-time or part-time employment with a nonrailroad person, company, or institution that began during, or after, your railroad employment.

If you are a spouse annuitant, your LPE is usually your last job before your spouse annuity beginning date.

When you applied for your annuity, we asked for the names of your most recent nonrailroad employers, if any. That information established your LPE for RRB records. If you held two or more nonrailroad jobs at the same time, each one is considered LPE.

Railroad work in Canada or by Canadian citizens in the United States, which is not "covered employment" under the RRA, is considered LPE and is subject to LPE work deductions.

Any paid elected or appointed work as a public official, which you started before your annuity began, is also considered LPE and is subject to LPE work deductions.

Any work for your LPE that continues or is resumed after your annuity beginning date must be reported to the RRB at once. Be sure to provide the name and address of your employer and your estimated monthly earnings.

If you stop LPE, or you expect a change in your estimated monthly earnings, contact the nearest RRB office to have your payments adjusted.

### **LPE Exceptions**

Some types of nonrailroad employment are not counted as LPE. These jobs do not affect payment of your Tier 2 amount or supplemental annuity. These exceptions are:

- Military service
- Jury duty
- Mail handling by contract with the U.S. Postal Service
- Volunteer work
- Work for which you only receive payment of expenses
- Self-employment

**NOTE:** If you begin self-employment that has any connection with railroad employment or your LPE employer. (such as consultant work), please report this to the nearest RRB office. We may ask you to complete Form AA-4 *Self-Employment and Substantial Service Questionnaire*, which will help us determine whether to consider your work self-employment or a continuation of railroad service or LPE.

### **Annuity Deductions For LPE**

LPE earnings reductions occur at any age, even after attaining Full Retirement Age. There is no Annual Earnings Exempt Amount for LPE. Even work for minimum pay may be LPE.

Any LPE earnings received by an employee annuitant for service in or after the month an annuity begins will reduce the amount of the employee's Tier 2 benefit, the employee's supplemental annuity, if any, and the spouse's Tier 2 benefit. The LPE work deduction is \$1.00 for every \$2.00 earned, but not more than 50% of the Tier 2 benefits and supplemental annuity.

Any LPE earnings received by a spouse annuitant for service in or after the month a spouse annuity begins will reduce the amount of the spouse's Tier 2 benefit (up to 50%).

A prompt report will allow timely adjustment of your annuity to avoid overpayment to you.

### **Disability After Retirement**

Contact the RRB if you are receiving an age and service-based retirement annuity, and you become disabled before you reach Full Retirement Age. Also report to the RRB if you are receiving an occupational disability annuity and your medical condition worsens. You may be eligible for early Medicare coverage if you meet the requirements for total and permanent disability.

### **Disability and Work**

If you are less than Full Retirement Age and you receive a disability-based annuity, there is no Annual Earnings Exempt Amount for you. You must report ANY new employment. It is important that your report includes:

- The kind of work you are doing;
- How much you expect to earn each month;
- The period of time you expect to be working;
- How many hours you expect to work; and,
- The amount of any disability-related work expenses.

Your disability annuity cannot be paid for any month you work and have earnings over \$400. "Earnings" are defined on page 5. Certain disability-related work expenses are subtracted from the earnings.

If you work and earn \$5,000 or more during one calendar year, you will not be entitled to an annuity for some months in that year. How long your annuity is not payable depends on how much you earn, but the number of months withheld will not exceed the actual number of months that you worked in that year.

If annuity payments are withheld because you expect earnings over \$400 for some months, we will send you a form to report your actual monthly earnings after the end of the calendar year. If your total earnings are less than \$5,000 for that calendar year, any monthly benefits that we withheld will be paid to you.

### **Disability Change and Work Capability**

If you receive a disability-based annuity and have not yet reached Full Retirement Age, your work and earnings will be evaluated to see if you are able to perform regular work. ANY work after your annuity begins, regardless of your amount of earnings, may raise questions about medical recovery.

If you return to work, or your doctor tells you that you are able to work, notify your local RRB office. We will ask for more information about your condition and possibly request new medical examinations. Failure to promptly contact the RRB about changes in your disability status could result in large annuity overpayments with penalties.

### **Workers Compensation Or Other Disability-Based Public Benefits**

Your disability annuity Tier 1 amount is subject to a reduction if you also receive worker's compensation or another public,

disability-based, benefit before you reach Full Retirement Age. This reduction requirement may apply even if you receive a lump sum or an amount divided and paid in several payments. If you receive a public disability or worker's compensation award, or if the amount you receive changes, notify the RRB as soon as possible. Delay may cause a large annuity overpayment.

### **Marital Status Change**

If your marriage ends by divorce or annulment, or the death of your spouse, notify the RRB to have our records corrected (including a name change) and to assure that any spouse annuity payments are adjusted or terminated timely.

If a step-child is included in your Special Guaranty computation, and your marriage to the child's natural parent ends by divorce or annulment, notify the RRB. We are required to exclude the step-child from the Special Guaranty computation.

If you are receiving a divorced spouse annuity, your entitlement ends the month that you remarry.

### **Qualifying Child Status Changes**

If your spouse annuity is based on a child in your care, your benefit eligibility ends if certain events occur before you qualify for an annuity based on your age. If the child attains age 18 or is no longer disabled, or if the child enters military service, marries, dies, or leaves your care before age 18, your payments must stop.

Your annuity termination is automatically processed when RRB records show the child is age 18, but you must report events that could end your spouse annuity eligibility earlier. You must also notify your local RRB office if you receive an annuity payment after your entitlement ends.

### **Felony Conviction**

A prison sentence or confinement for a felony conviction changes the income tax liability for annuity payments and the reports required by the RRB to the IRS.

If you or your spouse are confined as a result of a felony conviction, contact the RRB at once to find out if any payment changes are required. Also report if you receive a spouse annuity based on a child in your care and the child is confined due to a felony conviction.

Most states define certain crimes as felonies. Even if the court jurisdiction does not use that definition, the RRB considers a crime to be a felony if the penalty may be death or confinement for more than 1 year. Places of confinement include a prison, jail, hospital, school, halfway house, or other facilities in which a person is under the control and jurisdiction of a penal system. The period of confinement ends when the prisoner is paroled or released because the sentence has ended, been suspended, or overturned.

### **Spouse or Employee Death**

An annuity is not payable for the month in which an employee or spouse dies. Promptly notify the RRB when a death occurs to avoid possible overpayment and to determine if survivor benefits may be payable when an employee dies.

It is against the law to cash an annuity check issued to a person who has died. If a payment by check is received after that person's date of death, it must be returned to the RRB or to the Treasury Department address shown on the envelope.

It is also against the law to use direct deposit funds received by a financial institution for a person who has died. If a direct deposit annuity payment is received after that person's date of death, your financial institution is required to return it to the Treasury Department at once.

### **Change of Address**

Even though your payments may be sent by direct deposit, notify both the RRB and the financial institution that receives your payments as soon as possible if your home address changes.

The RRB needs your home mailing address to send you important information about benefit increases, earnings allowances, and Medicare, as well as your income tax statements. If you do not report your address changes, the RRB cannot be responsible for information you do not receive.

To report an address change, write or call the RRB and provide the following information:

- Your RRB claim number;
- Your name;
- Your new address
- Your old address;
- The date you will start receiving mail at the new address;
- If your spouse also receives an RRA annuity, a statement that your notice of change of address applies for both you and your spouse or applies to you alone.





**Nondiscrimination on the Basis of Disability**

Under Section 504 of the Rehabilitation Act of 1973 and the Railroad Retirement Board (RRB) regulations, no qualified person may be discriminated against on the basis of disability. RRB programs and activities must be accessible to all qualified applicants and beneficiaries, including those who are vision or hearing-impaired. Disabled person needing assistance (including auxiliary aids or programs information in accessible formats) should contact the nearest RRB office. Complaints of alleged discrimination by the RRB on the basis of disability must be filed within 90 days in writing with the Director of Administration, Railroad Retirement Board, 844 North Rush Street, Chicago, Illinois, 60611-2092. Questions about individual rights under this regulation may be directed to the RRB's Director of Equal Opportunity at the same address.

**Fraud and Abuse Hot Line**

Call the toll-free Fraud and Abuse Hot Line if you have reason to believe that someone is receiving railroad retirement or unemployment-sickness benefits to which (s)he is not entitled; that persons responsible for the financial affairs of minors or incompetent beneficiaries are misappropriating benefits; or that a doctor, hospital, or other provider of health care services is performing unnecessary or inappropriate services or is billing Medicare for services not received. You may also use the Hot Line to report any suspected misconduct by a Railroad Retirement Board (RRB) employee. The Hot Line has been installed by the RRB's Inspector General to receive any evidence of fraud or abuse of the RRB'S benefit programs.

Call (toll-free) 1-800-772-4258. Or you may send your complaints in writing to the RRB, OIG, Hot Line Officer, 844 North Rush Street, Chicago, Illinois 60611-2092.

Please do not call the Inspector General's Hot Line with questions about eligibility requirements, delayed claims, or similar problems. Such matters should be directed to the nearest RRB field office.